**REMARKS/ARGUMENTS**

In the above-mentioned Office Action, the drawings were objected to, claims 1 – 8, 10 and 11 were rejected as being indefinite, and claims 1 – 11 were rejected as being anticipated by *Gorgone et al.* (U.S. Patent No. 4,418,824). In response thereto, the specification and drawings have been amended, claim 9 has been cancelled, claim 11 has been amended, and new claims 12 – 33 have been added.

The present application on page 3, paragraph [0011], says that "[t]he bill acceptor of the present invention is adapted to provide for a more a efficient way to integrate non-currency notes, such as tickets, bills, vouches and script (collectively "tickets") into the circulation of currency. The bill acceptor discriminates tickets from currency and then directs the currency and the tickets to different hoppers which can be accommodated by the counters and sorters in the counting rooms of a casino or other establishment. Accordingly, a bill acceptor system for accepting and separating tickets and currency in an electronic gaming machine or alternative type of custom service device as set forth which includes a validator assembly to be mounted in or on the machine, the validator assembly having a currency and ticket discriminator to sense the authenticity, the denomination, amount and type of the currency or ticket passing through and issue a signal corresponding to the currency or ticket type to the transportation assembly. The transportation assembly contains a deflector that can move into one of at least two positions depending on the signal received. A cash box with two sections is provided to receive deposited currency and tickets into either the bill hopper or the ticket hopper."

The first element of claim 1 is for "a validator assembly capable of identifying acceptable notes and discriminating between currency and non-currency notes." The Examiner has rejected that claim and similarly claims 10 and 11 on the ground that the phrase "capable of" is allegedly vague and indefinite since it allegedly only points out what the invention is "capable" of accomplishing rather than what it actually does.

The law is clear that such language is appropriate language complying with 35 U.S.C. 112, second paragraph, and accordingly the rejections under that section should be withdrawn.

For example, the Court of Customs and Patent Appeals held that the limitation used to define a radical on a chemical compound as "incapable of forming a dye with said oxidizing

developing agent" although functional, was perfectly acceptable because it set definite boundaries on the patent protection sought. *In re Barr,* 170 USPQ 33 (CCPA 1971).

If the Examiner is contending that the words "capable of" are functional limitations, then they must be evaluated and considered, just like any other limitation of a claim for what they fairly convey to a person of ordinary skill in the pertinent art in the context in which it is to be used. There is nothing inherently wrong with defining some part of an invention in functional terms. Functional language does not, in and of itself, render a claim improper. See *In re Swinehart*, 169 USPQ 226 (CCPA 1971). Thus, if the language is determined to be a functional limitation, it is a proper limitation and must be considered.

On the other hand, this language is similar to "adapted to" language which has been held to be a proper structural limitation. For example, the court held that in a claim directed to a kit of component parts capable of being assembled, limitations such as "members adapted to be positioned" and "portions . . . being resiliently dilatable whereby said housing may be slidably positioned" precisely defined structural attributes of interrelated components of the claimed assembly. *In re Venezia,* 189 USPQ 149 (CCPA 1976).

Thus, all of the claims include either a validator assembly that discriminates between currency and non-currency notes or a "discriminating means." This is not disclosed, shown or suggested by the *Gorgone* '824 patent. In fact, *Gorgone* does not discriminate between currency and non-currency notes. He only separates denominations of currency notes. He separately stacks different denominations of the same security. In column 1, lines 54 – 55, *Gorgone* describes an object of the patent as " ... reliably separating plural denominations of currency ...". In column 2, lines 8 – 9, he again discloses "an apparatus for receiving and storing notes of different denominations ... and receiving means ... one for each denomination of note to be stored ... ". See also column 3, lines 43 – 45, and column 3, lines 45 – 49. Thus, there is no teaching or disclosure in *Gorgone* for discriminating between currency notes and non-currency notes.

Accordingly, issuance of the Notice of Allowance at an early date is in order and it is respectfully requested. If there are any remaining issues, the examiner is encouraged to contact the below-signed counsel at (213) 689-5142 to seek to resolve them.

The Commissioner is hereby authorized to charge any additional fees which may be required, or credit any overpayment to Deposit Account No. 07-1853 during the pendency of prosecution of this application. Should such additional fees be associated with an extension of time, Applicant respectfully requests that this paper be considered a petition therefor.

Respectfully submitted,

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Attachment: Replacement Sheet

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